



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 16, 2005

TO: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **INTERNATIONAL INSTITUTE OF LOS ANGELES CONTRACT REVIEW  
CALWORKS CHILD CARE SERVICES**

We have completed a contract compliance review of International Institute of Los Angeles (International or Agency), a CalWORKs Stage 1 Child care service contractor. The review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

**Background**

The Department of Public Social Services (DPSS) contracts with International a private, non-profit, community-based organization that assists parents with child care services. The Agency's services include determining participants' eligibility, explaining participants' child care options and program rights, providing consumer education information, and paying the daycare service providers. The Agency is located in the First District.

DPSS pays International a negotiated rate of approximately \$125 per case per month. DPSS also pays International approximately \$1,500 annually for outreach services. For Fiscal Year 2004-2005, DPSS paid the Agency approximately \$240,000.

**Purpose/Methodology**

The purpose of the review was to determine whether International provided the services outlined in their Program Statement and County contract. We also evaluated the

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International's ability to achieve planned service and staffing levels. Our monitoring visit included a review of Agency's billing statements, participant case files, provider files, provider payment requests, time records, and personnel files. In addition, we interviewed the Agency's staff, program participants and service providers.

### **Results of Review**

International provided the services required by the County contract using the appropriate number of qualified staff. In addition, the program participants stated that the services they received from International generally met their expectations.

For four (20%) of the 20 cases reviewed, International billed DPSS for child care services provided to individuals that did not qualify for the services. According to the County contract, a participant must be enrolled in an activity to receive child care services. In all four instances, the program participants were not enrolled in activities that qualified them for childcare services. This resulted in International over-billing DPSS a total of \$1,044. International stated that the over-billing was in error and would repay DPSS the \$1,044.

The details of our review, along with recommendations for corrective action, are attached.

### **Review of Report**

On August 31, 2005, we discussed our report with International's management who agreed with the findings. In their attached response, International management indicates the actions the agency has taken to implement the recommendations contained in the report. We also notified DPSS of the results of our review.

We thank International for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Bryce Yokomizo, Director, Department of Public Social Services  
E. Stephen Voss, President and Chief Executive Officer, International Institute of  
Los Angeles  
Public Information Office  
Audit Committee

**COUNTYWIDE CONTRACT MONITORING DIVISION  
CalWORKs STAGE 1 CHILD CARE PROGRAM  
FISCAL YEAR 2005-2006  
INTERNATIONAL INSTITUTE OF LOS ANGELES**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether International Institute of Los Angeles (International or Agency) provided the services billed in accordance with their County contract and the program participants actually received those services.

**Verification**

We sampled 20 program participant case files and reviewed documentation contained in the case files to support the Agency's compliance with the County contract. We also interviewed 17 program participant and 19 daycare providers. In addition, we reviewed 19 Provider Payment Requests to verify that the daycare providers were paid within the timeframe required by the County contract. Our sample represents \$4,983 out of a total of \$38,869 that International billed the Department of Public Social Services (DPSS) for the review period December 2004 and January 2005.

**Results**

The participants interviewed stated that the services generally met their expectations and that International explained participant's child care options and program rights and provided consumer education information. The 19 services providers interviewed also stated that International appropriately authorized and paid for child care services.

For four (20%) of the 20 cases reviewed, International billed DPSS for child care services provided to individuals that did not qualify for the services. According to the County contract, a participant must be enrolled in an activity to receive child care services. In all four instances, the program participant's were not enrolled in an activity that qualified them for childcare services. This resulted in International over-billing DPSS a total of \$1,044. International stated that the over-billing was in error and would repay DPSS the \$1,044.

**Recommendations**

**International management:**

- 1. Repay DPSS for the amount over-billed.**
- 2. Ensure that services are only provided to eligible participants.**

## **SERVICE/STAFFING LEVELS**

### **Objective**

Determine whether International's actual service and staffing levels did not significantly vary from planned levels.

### **Verification**

We interviewed 8 International staff and reviewed International employee roster. In addition, we reviewed invoices for December 2004 and January 2005 and compared them to the Agency's proposed service levels for the same period.

### **Results**

International's reported service levels for December 2004 and January 2005 averaged approximately 156 participant cases per month. This represents an increase of 2% from the budgeted participant service levels of 153 participant cases per month. Also, the Agency's actual staffing levels of approximately 4.60 Full Time Equivalent (FTE) staff were consistent with planned staffing levels of 4.60 FTEs.

### **Recommendation**

**There are no recommendations for this section.**

## **STAFFING QUALIFICATIONS**

### **Objective**

Determine whether International staff met the qualifications required by the contract.

### **Verification**

We reviewed all personnel files for documentation to confirm qualifications.

### **Results**

Each staff met the required employment eligibility verification, training, reading, writing, and speaking requirements identified in the contract.

### **Recommendation**

**There are no recommendations for this section.**

## ATTACHMENT I



Serving the Community Since 1914  
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PRESIDENT AND CEO, E. Stephen Voss

September 2, 2005

J. Tyler McCauley  
Los Angeles County Auditor-Controller  
500 W Temple, Room 525  
Los Angeles, CA 90012

Dear Mr. McCauley:

We have reviewed the report issued by your Department and are in general agreement with the findings and recommendations. The International Institute of Los Angeles CalWORKS Stage 1 program will repay the Department of Public Social Services according to the terms of the contract and will closely monitor participants' eligibility status to ensure that services are provided only to eligible participants.

The agency will make all possible efforts to adhere to DPSS rules and regulations regarding the Stage 1 contract.

Please call me if you have any questions at (323) 224-3800, ext. 214 or [tfrank@iilosangeles.org](mailto:tfrank@iilosangeles.org)

Sincerely,

Todd Frank  
Division Director, Alternative Payment Programs  
International Institute of Los Angeles



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